

APPENDIX C

CONTRACT FOR SALE OF WETLAND MITIGATION CREDIT(S)

This is a legally binding contract. If not understood, seek competent legal advice.

CONTRACT FOR SALE OF WETT AND MITIGATION CREDIT(S)

THIS CONTRACT is made and entered into by and between WETLAND AND ENVIRONMENTAL TECHNOLOGIES OF TENNESSEE, LLC, hereinafter referred to as "SELLER" and NAME OF PURCHASER hereinafter referred to as "PURCHASER";

WITNESSETH THAT:

The Seller and Purchaser do hereby contract and agree as follows:

1. **SALE.** The Seller agrees to sell to the Purchaser, and the Purchaser agrees to buy from the Seller, upon the terms and conditions herein set forth, ONE-HALF OF ONE (0.5) WETLAND MITIGATION CREDIT (One-Half Credit), from the Seller's Indian Creek Wetland Mitigation Site in Roane County, Tennessee
2. **PRICE.** The purchase price for the One-Half Credit shall be TEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$10,500.00).
3. **PAYMENT.** The following provisions shall govern the sale of the One-Half Credit:
 - A. The Purchaser shall pay the Seller a non-refundable deposit of TEN PERCENT (10%) of the entire purchase price of the One-Half Credit upon the execution of this Contract by the Purchaser. The deposit shall be ONE THOUSAND FIFTY AND NO/100 DOLLARS (\$1,050.00). The Purchaser shall pay the deposit to the Seller in cash or with a certified check. Upon receipt of the Purchaser's deposit, the Seller agrees to hold the One-Half Credit for the Purchaser's exclusive use for an option period of 120 calendar days beginning on July 28, 2002, and ending on November 25, 2002. Under this provision, the Purchaser agrees to complete the sale contemplated by this Contract on or before November 25, 2002. If the sale is completed by November 25, 2002, the Purchaser's deposit shall be applied, by the Seller to the entire purchase price of the One-Half Credit as partial payment of the entire purchase price on or before November 25, 2002. The balance of the entire purchase price, once the deposit has been received by the Seller, shall be NINE THOUSAND FOUR HUNDRED FIFTY AND NO/100 DOLLARS (\$9,450.00). The balance shall be paid to the Seller in cash or with a certified check. If the purchaser elects to not complete the purchase of the One-Half Credit, the provisions of sections 3(C) and 6(A) shall apply.
 - B. If the sale is not completed by November 25, 2002, as specified in provision 3(A) above, the Seller agrees to provide the Purchaser the first right of refusal for the One-Half Credit for a period of ninety (90) consecutive calendar days beginning on November 26, 2002. To obtain this first right of refusal, the Purchaser will pay the Seller an additional non-refundable deposit of TEN PERCENT (10%) of the entire purchase price of the One-Half Credit, which is ONE THOUSAND FIFTY AND NO/100 DOLLARS (\$1,050.00). The Purchaser shall pay the additional deposit to the Seller in cash or with a

certified check. Upon receipt of the Purchaser's additional deposit, the Purchaser shall have the first right of refusal for the One-Half Credit for the ninety (90) day period beginning on November 26, 2002. If, at any time during the ninety (90) day first right of refusal period, the Seller receives a legitimate offer to purchase all of the unsold wetland credits in the Indian Creek Wetland Mitigation Site, the Seller will provide the Purchaser with written notice of such offer to purchase the unsold credits, and the Purchaser shall have five (5) calendar days in which to provide written notice to the Seller stating whether or not the Purchaser will complete the purchase of the One-Half Credit. If the Purchaser elects to exercise the first right of refusal and purchase the One-Half Credit, the Purchaser will pay the Seller the balance of the entire purchase price, minus the original and additional deposits that have been received by the Seller, the sum of EIGHT THOUSAND FOUR HUNDRED AND NO/100 DOLLARS (\$8,400.00), in cash or with a certified check within 10 calendar days of the Seller's receipt of the Purchaser's written notice to the Seller. If the purchaser elects to not complete the purchase of the One-Half Credit, the provisions of sections 3(C) and 6(B) shall apply.

- C. If the sale is not completed, as specified in either provision 2(A) or 3(B) above, the Purchaser shall be in default of this Contract, and the Purchaser shall be subject to the default provisions in Section 6 of this Contract.
4. TITLE. Purchaser acknowledges that the Seller's sale of the One-Half Credit to the Purchaser in no way conveys whole or partial title of the Indian Creek Wetland Mitigation Site in Roane County, Tennessee, or any other assets of the Seller, to the Purchaser. The Purchaser further acknowledges that the purchase price of the One-Half Credit is for services rendered to the Purchaser by the Seller, and not for the sale, exchange, or other conveyance of real property. The Purchaser further warrants that it will not make any claims against the Seller's real property or other assets and that the Purchaser has no valid claims against such real property or other assets of the Seller.
5. CONDITIONS TO CLOSING. The Seller shall be solely responsible for ensuring that the One-Half Credit sold to the Purchaser via this Contract is generated through implementation of the Wetland Mitigation Site Plan for the Indian Creek Wetland Mitigation Site. If, for any reason, the Seller is unsuccessful in generating the One-Half Credit sold to the Purchaser, the Seller will not seek additional financial or other assistance from the Purchaser in any future attempts to generate the One-Half Credit. The Seller acknowledges that it is solely responsible for generating the credits derived from the Indian Creek Wetland Mitigation Site and that it is solely responsible for rectifying any wetland mitigation credit generation deficits that might result from the Seller selling more wetland mitigation credits than the Indian Creek Wetland Mitigation Site ultimately generates.
6. DEFAULTS. The following provisions shall govern a default by the Purchaser:
- A. If said sale is not completed by November 25, 2002, as specified in provision 3(A) above, because of the Purchaser's default, then the Purchaser's original

deposit shall be forfeited to the Seller as full liquidated damages to the Seller, and not as a penalty, and this Contract shall become null and void; or

- B** If said sale is not consummated by the end of the ninety (90) day first right of refusal period, as specified in provision 3(B) above, because of the Purchaser's default, then the Purchaser's original and additional deposits shall be forfeited to the Seller as full liquidated damages to the Seller, and not as a penalty and this Contract shall become null and void.
7. **COMMISSIONS.** Neither the Seller nor the Purchaser has employed the services of a broker in connection with this sale, and both parties agree to indemnify the other party against any claim for commission or compensation by any real estate broker or other person claiming by, through, or under said party.
 8. **SPECIAL STIPULATIONS.** This Contract does not include any special provisions and stipulations other than the provisions already identified and explicitly stated in this Contract.
 9. **SURVIVAL.** All covenants, terms, and conditions of this Contract not fully performed at or prior to closing shall survive the closing hereunder and shall not be merged into the closing documents.
 10. **MISCELLANEOUS.** This Contract constitutes the entire agreement between the Seller and the Purchaser and may not be modified or amended except by an instrument in writing signed by the parties. This contract shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, representatives, successors, and permitted assigns. Time is of the essence of this Agreement. The paragraph headings contained herein are for reference only and are not to be construed as a part of any term, provision, or condition hereof.

IN WITNESS WHEREOF, the parties have caused this Contract to be executed and to become effective as of the date the Contract is last executed by the parties as indicated below.

PURCHASER:

PURCHASER NAME

Daniel P. Smith

PURCHASER AGENT NAME

TITLE Project mgr.

9/11/02

Date

SELLER:

**WETLAND AND ENVIRONMENTAL
TECHNOLOGIES OF TENNESSEE, LLC**

Delmer Lynn Bunnard

Delmer Lynn Bunnard

Member/Partner

9-12-02

Date